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IN THE

Supreme Court of the United States

..... Term, 1976

SARAH COVENTRY, INC.,

Petitioner,

v.

T. SARDELLI & SONS, INC.,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT

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The petitioner, Sarah Coventry, Inc. prays that a writ of certiorari to the United States Court of Appeals for the First Circuit issue to review the judgment of that Court entered in the above entitled case on December 4, 1975, under that Court's Docket No. 75-1199 and from the Memorandum And Order On Petition For Rehearing. Petitioner contends that the determination of the United States Court of Appeals for the First Circuit in this case is clearly erroneous and contrary to prior United States Court of Appeals decisions for the second, third, sixth, seventh, ninth and District of Columbia circuits and of the Court of Customs and Patent Appeals.

Opinions Below

The Opinion Of The Court of December 4, 1975 of the United States Court of Appeals for the First Circuit (A. 1a) is not reported.

The Opinion and Order of April 14, 1975 of the United States District Court for the District of Rhode Island (A. 8a) is reported at 185 USPQ 617.

The decision of the Patent Office Trademark Trial and Appeal Board dated June 28, 1973 (A. 31a) is reported at 179 USPQ 630.

Jurisdiction

This petition seeks the review of the Opinion Of The Court of the United States Circuit Court of Appeals for the First Circuit dated and entered December 4, 1975 (A. 1a) and the Memorandum And Order On Petition For Rehearing dated and entered January 7, 1976 (A. 6a).

The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1) which provides for review of any determination of a court of appeals by writ of certiorari.

Jurisdiction of the United States District Court for the District of Rhode Island where this suit originated was based on 28 U.S.C. § 1338(a) and 15 U.S.C. § 1071(b) for a review of the Patent Office Trademark Trial and Appeal Board's decision 15 U.S.C. § 1071(b).

Time

This application is made within ninety days of the date of the final determination by the entry on January 7, 1976 of the order denying rehearing as required by 28 U.S.C. 2101(c) and as that statute is construed by case law of this Court.

Questions Presented

1. Whether the United States Court of Appeals for the First Circuit erred in deciding that the ultimate issue in trademark cases of "likelihood of confusion" is not a question of law, contrary to and in conflict with prior decisions of the United States Court of Appeals for the Second, Third, Sixth, Seventh, Ninth and District of Columbia Circuits and the Court of Customs and Patent Appeals.

2. Whether the United States Court of Appeals for the First Circuit erred in refusing to recognize as a standard of appellate review, where a decision based solely on the similarity of the trademarks themselves that a reviewing court is in as good a position to determine the probability of confusion as was the district court, contrary to and in conflict with prior decisions of the United States Court of Appeals for the second, third, sixth, seventh, ninth and District of Columbia Circuits and the Court of Customs and Patent Appeals.

3. Whether the United States Court of Appeals for the First Circuit's decision in this case is contrary to and defeats the intent of Congress in providing for the Court of Customs and Patent Appeals.

4. Whether Congress intended that the Plaintiff in a suit under 15 U.S.C. 1071(b) would have a stricter standard of judicial review before United States District Courts and Courts of Appeal than as an appellant to the Court of Customs and Patent Appeals under 15 U.S.C. 1071(a).

5. What is the standard of judicial review to which the Plaintiff is entitled under 15 U.S.C. 1071(b) in United States District Courts and Courts of Appeal on the question of likelihood of confusion in trademark cases.

Constitutional Provisions and Statutes Involved

15 U.S.C. 1071

15 U.S.C. 1071(a)

Sec. 21 (15 U.S.C. 1071). Appeal to court and review by civil action

(a)(1) An applicant for registration of a mark, party to an interference proceeding, party to an opposition proceeding, party to an application to register as a lawful concurrent user, party to a cancellation proceeding, a registrant who has filed an affidavit as provided in section 8, or an applicant for renewal, who is dissatisfied with the decision of the Commissioner or Trademark Trial and Appeal Board, may appeal to the United States Court of Customs and Patent Appeals thereby waiving his right to proceed under section 21(b) hereof: *Provided*, That such appeal shall be dismissed if any adverse party to the proceeding, other than the Commissioner, shall, within twenty days after the appellant has filed notice of appeal according to section 21(a)(2) hereof, files notice with the Commissioner that he elects to have all further proceedings conducted as provided in section 21(b) hereof. Thereupon the appellant shall have thirty days thereafter within which to file a civil action under section 21(b), in default of which the decision appealed from shall govern the further proceedings in the case.

(2) When an appeal is taken to the United States Court of Customs and Patent Appeals, the appellant shall give notice thereof to the Commissioner, and shall file in the Patent Office his reasons of appeal, specifically set forth in writing, within such time after the date of the decision appealed from, not less than sixty days, as the Commissioner appoints.

(3) The court shall, before hearing such appeal, give notice of the time and place of the hearing to the Commissioner and the parties thereto. The Commissioner shall transmit to the court certified copies of all the necessary original papers and evidence in the case specified by the appellant and any additional papers and

evidence specified by the appellee, and in an ex parte case the Commissioner shall furnish the court with the grounds of the decision of the Patent Office, in writing, touching all the points involved by the reasons of appeal.

(4) The court shall hear and determine such appeal on the evidence produced before the Patent Office, and the decision shall be confined to the points set forth in the reasons of appeal. Upon its determination, the court shall return to the Commissioner a certificate of its proceedings and decision, which shall be entered of record in the Patent Office and govern the further proceedings in the case.

15 U.S.C. 1071(b)

(b)(1) Whenever a person authorized by section 21(a) hereof to appeal to the United States Court of Customs and Patent Appeals is dissatisfied with the decision of the Commissioner or Trademark Trial and Appeal Board, said person may, unless appeal has been taken to said Court of Customs and Patent Appeals, have remedy by a civil action if commenced within such time after such decision, not less than sixty days, as the Commissioner appoints or as provided in section 21(a). The court may adjudge that an applicant is entitled to a registration upon the application involved, that a registration involved should be canceled, or such other matter as the issues in the proceeding require, as the facts in the case may appear. Such adjudication shall authorize the Commissioner to take any necessary action, upon compliance with the requirements of law.

(2) The Commissioner shall not be made a party to an inter partes proceeding under this subsection, but he shall be notified of the filing of the complaint by the clerk of the court in which it is filed and shall have the right to intervene in the action.

(3) In all cases where there is no adverse party, a copy of the complaint shall be served on the Commissioner; and all the expenses of the proceedings shall be paid by the party bringing them, whether the final decision is in his favor or not. In suits brought hereun-

der, the record in the Patent Office shall be admitted on motion of any party, upon such terms and conditions as to costs, expenses, and the further cross-examination of the witnesses as the court imposes, without prejudice to the right of any party to take further testimony. The testimony and exhibits of the record in the Patent Office, when admitted, shall have the same effect as if originally taken and produced in the suit.

(4) Where there is an adverse party, such suit may be instituted against the party in interest as shown by the records of the Patent Office at the time of the decision complained of, but any party in interest may become a party to the action. If there be adverse parties residing in a plurality of districts not embraced within the same State, or an adverse party residing in a foreign country, the United States District Court for the District of Columbia shall have jurisdiction and may issue summons against the adverse parties directed to the marshal of any district in which any adverse party resides. Summons against adverse parties residing in foreign countries may be served by publication or otherwise as the court directs (Amended July 19, 1952, 66 Stat. 792; Aug. 8, 1958, 72 Stat. 540; and Oct. 9, 1962, 76 Stat. 769).

28 U.S.C. 1254(1)
28 U.S.C. 2101(c)
38 U.S.C. 1338(a)

15 U.S.C. 1052(d)

(d) consists of or comprises a mark which so resembles a mark registered in the Patent Office or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when applied to the goods of the applicant, to cause confusion, or to cause mistake, or to deceive: *Provided*, That when the Commissioner determines that confusion, mistake, or deception is not likely to result from the continued use by more than one person of the same or similar marks under conditions and limitations as to the mode or place of use of the marks or the goods in connection with which such marks are used, concurrent registrations may be issued to such

persons when they have become entitled to use such marks as a result of their concurrent lawful use in commerce prior to (i) the earliest of the filing dates of the applications pending or of any registration issued under this Act; or (ii) July 5, 1947, in the case of registrations previously issued under the Act of March 3, 1881, or February 20, 1905, and continuing in full force and effect on the date; or (iii) July 5, 1947, in case of applications filed under the Act of February 20, 1905, and registered after July 5, 1947. Concurrent registrations may also be issued by the Commissioner when a court of competent jurisdiction has finally determined that more than one person is entitled to use the same or similar marks in commerce. In issuing concurrent registrations, the Commissioner shall prescribe conditions and limitations as to the mode or place of use of the mark or the goods in connection with which such mark is registered to the respective persons;

Statement of the Case

This is an action by petitioner, Sarah Coventry, Inc., a New York corporation to prevent the Respondent, T. Sardelli & Sons, Inc., a Rhode Island corporation, from registering the trademark "SARDE" in the United States Patent Office because of the likelihood of confusion and damage to the petitioner by reason of petitioner's long and substantial prior use of the trademark and tradename "SARAH". Because of the confusing similarity of the trademarks involved in this case, "*SARAH*" and "*SARDE*" by which each of the parties are also referred to as their tradenames. The parties stipulated before the District Court:

> "If the court finds that the trademark 'SARAH' and 'SARDE' are in fact similar then the rest of the circumstances can exist so that if the jewelry products of the parties were sold purchaser could well ascribe them to a common source or producer." (A. 15a).

And, as stated by the First Circuit Court of Appeals in this case, "*the sole issue* before the Board was the *likelihood of confusion* arising from the use of both marks. 15 U.S.C. § 1052(d)" (A. 2a). This was the sole issue before the district court and court of appeals.

The Patent Office Trademark Trial and Appeal Board dismissed the Petitioner's opposition to the Respondent's trademark application. Pursuant to Federal Statute 15 U.S.C. 1071, the Petitioner in this case appealed the Trademark Trial and Appeal Board decision to the Court of Customs and Patent Appeals. Petitioner's notice of appeal to the Court of Customs and Patent Appeals was met by a notice of election filed by Respondent under 15 U.S.C. § 1071(b). In accordance with this statute Petitioner then instituted proceedings in the district court.

Jurisdiction of the United States District Court for the District of Rhode Island where this suit originated was based on 28 U.S.C. § 1338(a) and 15 U.S.C. § 1071(b) for a review of the Patent Office Trademark Trial and Appeal Board's decision under 15 U.S.C. § 1071(b).

The district court refused to overturn the dismissal by the Trademark Trial and Appeal Board of the Petitioner's opposition.

The court of appeals rendered its opinion on December 4, 1975 stating:

> "... opposer claims that the Board's conclusion that visually the words presented no likelihood of confusion *was a question of law,* as to which the district court, and we, should be entirely free to reverse. Cf. Baker v. Simmons Co., 1 Cir., 1962, 307 F.2d 458, 464-65; Sears, Roebuck & Co. v. Johnson, 3 Cir., 1955, 219 F.2d 590, 591; Fleischmann Distilling Corp. v. Maier Brewing Co., 9 Cir., 314 F.2d 149, 152, cert. denied, 374 U.S. 830. *If this were a pure question of law, that would be so.* DeCosta v. Columbia Broadcasting System, Inc. 1 Cir. 1975, 520 F.2d 499. However, we regard it, at best, as a mixed question of law and fact." (emphasis added) (3a).

* * *

> "*We are not called upon to decide whether there are sufficient similarities so that, had the Board's decision been in opposer's favor, we might have let it stand, ...*" (emphasis added) (5a).

The essential facts in this case are undisputed and were stipulated between the parties as stated in the District Court's decision under "Findings Of Fact" (9a-16a):

Petitioner's Trademark Activity:

In 1958 Petitioner, Sarah Coventry, Inc., commenced using the name "SARAH", per se, and the designation "by SARAH" in its promotional literature as a corporate identification symbol and, over the years, greatly increased its use until it was the most significant word under which Petitioner has promoted sales of its jewelry in national advertising, sales promotion literature, and sales catalogs. "SARAH" appears in approximately ninety to ninety-five percent of its national advertising material (11a).

Since at least as early as April 6, 1964, Petitioner has made use of "SARAH" as applied on jewelry as a trademark (12a) on approximately 12.5 million pieces of jewelry (TR-51)(34a).

Petitioner, Sarah Coventry, Inc., is the owner of United States Patent Office Reg. No. 777,378, issued September 22, 1964 (SARAH (11a).

Petitioner's total annual advertising and promotional expenditures have increased from about five hundred thousand dollars for the fiscal year ending March 31, 1966 to over one million seven hundred and fifty thousand dollars for the fiscal year ending in 1971. Such expenditures for the first eleven months of fiscal year 1972 approximated one million seven hundred thousand dollars (12a).

During the ten-year period ending March 31, 1971, Petitioner has had sales in the United States totaling about three hundred million dollars (12a).

Respondent's Trademark Activity:

T. Sardelli & Sons, Inc., adopted the mark "SARDE" and the phrase "by SARDE" on earring cards in or after May 1964 and on displays associated with the goods sold for use in retail outlets (13a).

Respondent's advertising efforts have been somewhat minimal comprising occasional advertisements in Jewelers' Circular Keystone and Modern Jeweler magazine and the distribution or furnishing of ad mats for use in local newspaper advertising. Respondent's sales of its products under the mark "SARDE" are in excess of one million dollars a year at whole sale price (13a).

Other Pertinent Facts:

The products of both the parties comprise jewelry and include the identical items, namely earrings and pendants; both party's jewelry is of a type that would be sold in the same retail outlets such as department stores and jewelry stores and possibly in or near the same departments, and certainly would be purchased by the same classes of female customers (14a).

REASONS FOR GRANTING THE WRIT

I. The need for review of the issues raised by Questions (1) One and (2) Two of the conflict of decisions between this decision and six other United States Courts of Appeal on whether the ultimate question in trademark cases of "likelihood of confusion" is a question of law or otherwise a question which the appeal court is in just as good a position to decide.

The Circuit Court of Appeals in this case decided at pages 3-5

"On the other hand, opposer claims that the Board's conclusion that visually the words presented no likelihood of confusion was a question of law, as to which the district court, and we, should be entirely free to reverse. *Cf. Baker* v. *Simmons Co.*, 1 Cir., 1962, 307 F.2d 458, 464-65; *Sears, Roebuck & Co.* v. *Johnson*, 3 Cir., 1955, 219 F.2d 590, 591; *Fleischmann Distilling Corp.* v. *Maier Brewing Co.*, 9 Cir., 314 F.2d 149, 152, *cert. denied*, 374 U.S. 830. If this were a pure question of law, that would be so. *DeCosta* v. *Columbia Broadcasting System, Inc.*, 1 Cir. 1975, 520 F.2d 499. However, we regard it, at best, as a mixed question of law and fact.

It is true, as opposer points out, that in *Baker* v. *Simmons*, ante, 307 F.2d, at 465, we quoted Judge Frank's majority opinion in *Eastern Wine Corp.* v. *Winslow-Warren, Ltd.*, 2 Cir., 1943, 137 F.2d 955, at 960, *cert. denied*, 320 U.S. 758, to the effect that where a decision is based 'solely on the names themselves,' a reviewing court 'is in as good a position . . . to determine the probability of confusion' as was the district court . . .

> . . . we no longer, if we ever did, recognize this statement as setting a standard of review for appellate courts. F.R.Civ.P. 52(a) is to be applied in all cases, regardless of the form of the record. *See Merrill Trust Co.* v. *Bradford*, 1 Cir., 1974, 507 F.2d 467, 468; *Leach* v. *Crucible Center Co.*, 1 Cir., 1968, 388 F.2d 176, 179.
>
> . . . our sole duty is to find error, vel non, and not to substitute our own factual conclusions simply because we may think them preferable. A contrary rule, even though limited to drawing inferences when the evidence is in documentary form, or undisputed, *see, e.g., Surgical Supply Service Inc.* v. *Adler*, 3 Cir., 1963, 321 F.2d 536, seems inconsistent with our basic judicial structure, and at best encourages appeals at the expense of another important principle, the need for finality. *See* C.A. Wright, Law of Federal Courts, 2d ed. 1970, p. 431."

The decision of the First Circuit Court of Appeals in the present case, as quoted above, is in conflict with and contrary to the following prior United States Courts of Appeals

decisions which have held the question of *"likelihood of confusion"* to be a question of law or have held that the Court of Appeals is in just as good a position as the trial judge to decide the likelihood of confusion, and in either event, *the Court of Appeals is thereby free to reverse as a matter of law:*

1 (a) *Second Circuit:* See *LaTouraine Coffee Co. Inc. v. Lorraine Coffee Co., Inc.*, 157 F2d 115, 117 (2d Cir. 1946); *Miss Universe, Inc. v. Patricelli* (1969, CA2) 408 F2d 506; *Hills Bros. Coffee, Inc. v. Hills Supermarket, Inc.* (1970, CA2) 428 F2d 379.

Appellate courts are in just as good a position as the District Court or the Patent Office to examine the trademarks and determine on the basis of the similarity of the trademarks applied to the identical goods, the sole issue in this case of likelihood of confusion. In *LaTouraine Coffee Co., Inc. v. Lorraine Coffee Co., Inc.*, 157 F2d 115, 117 (2d Cir. 1946)[1], the court overruled the trial judge's finding that the name "Lorraine" did not infringe the name "LaTouraine". The Court stated:

> "The only question is whether or not the similarity of names is such as to make likely the deception of any appreciable number of ordinary prudent customers.
>
> "While the trial judge, emphasizing the dissimilarity in size of the two businesses, concluded otherwise, we are constrained to think it is . . . *[T]his is a question reviewable on appeal."* (emphasis added)

In *Miss Universe, Inc. v. Patricelli (supra)*, at page 509 the Second Circuit Court of Appeals said:

> "To the [4] degree that the determination of 'likelihood of confusion' rests upon a comparison of the marks themselves, the appellate court is in as good a

[1] Cited with approval in a prior decision by the Appellate Court in the present case [see Baker v. Simmons Company, 307 F2d 458, 463 (1st Cir. 1962)] before apparently reversing its decision in the present case.

> position as the trial judge to decide the issue. J. R. Wood and Sons, Inc. v. Reese Jewelry Corp., 278 F.2d 157, 158, 125 USPQ 367, 368 (2 Cir. 1960); Miles Shoes, Inc. v. R. H. Macy & Co., Inc., 199 F. 2d 602, 95 USPQ 170 (2 Cir. 1952)."

In *Hills Bros. Coffee, Inc. v. Hills Supermarkets, Inc. (supra)* at page 380:

> "to the degree that the determination of likelihood of confusion rests upon a comparison of the marks as here, however, the appellate court is in as good a position as the trial judge to decide the issue. Miss Universe, Inc. v. Patricelli, supra. While we ordinarily phrase the rule on review of denial of preliminary injunction as calling for reversal only for abuse of discretion, see, e.g. Packard Instrument Co. v. ANS et al., 416 F.2d 943, 162 USPQ 193 (2d Cir. 1969), where the denial rests on a finding (confusion of marks) which we may determine on an equal basis with the trial judge, we need not uphold the denial."

1 (b) *Third Circuit:*

> *Sears Roebuck & Co. v. Johnson*, (3 Cir., 1955) 219 F2d 590, 591
>
> "But Rule 52(a) is not applicable where, as here, the dispute is not as to the basic facts, but as to what inference (i.e., ultimate fact) should reasonably be derived from the basic facts. *This court, by examining the basic facts found by the district court, can determine, as advantageously as the district court can, whether or not an inference of likelihood of confusion is warranted.*[2] Orvis v. Higgins, 180 F.2d 537 (C.A. 2), cert. denied 340 U.S. 810 (1950); In re Kellett Aircraft Corp., 186 F.2d 197 (C.A. 3, 1950); LaTouraine Coffee Co. v. Lorraine Coffee Co., 157 F.2d 115, 70 UPSQ 429 (C.A. 2, 1946); Kuhn v. Princess Lida of Thurn and Taxis, 119 F.2d 704 (C.A. 3, 1941)." (emphasis added)

Also see *Surgical Supply Service, Inc. v. Adler*, (1963, CA3) 321 F2d 536 and *Family Circle, Inc. v. Family Circle Associates, Inc.*, (1964, CA3) 332 F2d 534.

I (c) *Sixth Circuit:*

McCormick & Co. v. B. Manischewitz Co., 6 Cir., 206 F2d 744, 746, 98 USPQ 367, 369

". . . *the likelihood of confusion may as readily be perceived by a reviewing court* upon visual comparison as by a court of first instance, unless extrinsic facts compel determination one way or the other." (emphasis added)

I (d) *Seventh Circuit:*

Sterling Drug Inc. v. Lincoln Laboratories, Inc., (CA7) 322 F2d 968, 972

"It is our conclusion that the District Court in arriving at its *conclusion* that no likelihood of confusion existed failed to apply the correct *legal standards* and grounded its *conclusion* on irrelevant differences between the products involved, promotional activities employed, and source of the user's inducement to purchase or use the product—through prescription or recommendation of a physician or otherwise. The court erred in its *conclusion* on the issue of likelihood of confusion." (emphasis added)

Westward Coach Mfg. Co., Inc. v. Ford Motor Co.,(CA7) 388 F2d 627, 632

"On oral argument before this court, *counsel for appellants maintained that on the record, there is likelihood of confusion as a matter of law,* and that this court should so hold. Our review of the record discloses that the material facts are undisputed. The dispute on the merits is whether the type of confusion evidenced on the record constitutes trademark infringement or unfair competition. *This is a question of law.* On this record, the case is clearly an appropriate one for summary judgment. Rule 56(c). F.R.C.P., 28 U.S.C.A." (emphasis added)

I (e) *Ninth Circuit:*

Fleischmann Distilling Corp. v. Maier Brewing Co., 9 Cir., 314 F2d 149, 152 *Cert. denied* 374 U.S. 830:

"[2] Numerous cases in this and other circuits hold that under the circumstances here present, *the question of the likelihood of confusion is one for us to decide.* In Sleeper Lounge Company v. Bell Manufacturing Co., 9 Cir., 253 F.2d 720, 723, 117 USPQ 117, 119, this court quoted with approval the quotation in Miles Shoes, Inc. v. R. H. Macy & Co., 2 Cir., 199 F.2d 602, 95 USPQ 170, that '*we are in as good a position as the trial judge to determine the probability of confusion.*'

One reason for applying the rule of that case and of the other cases in accord cited in the margin is that this determination of likelihood of confusion *partakes more of the character of a conclusion of law than of a finding of fact.* The inference to be drawn from the undisputed facts here are 'derived from application of a legal standard.' Lundgren v. Freeman, 9 Cir., 307 F.2d 104, 115.[3]"

[3] "When a finding is essentially one dealing with the effect of certain transactions or events, rather than a finding which resolves disputed facts, an appellate court *is not bound by the rule that findings shall not be set aside, unless clearly* erroneous, but *is free to draw its own conclusions.*" Stevenot v. Norberg, 210 F.2d 615, 619, 9 Cir.

Also see *Friend v. H. A. Friend & Co.* (1969, CA9) 416 F2d 526 and *Carter-Wallace, Inc. v. Procter & Gamble Co.* (1970, CA9) 434 F2d 794.

I (f) *District of Columbia: Gold Seal Co. v. Weeks,* (1955 D.C.) Dist. of Columbia 129 F.Supp. 928, affirmed *per curiam* 97 App. D.C. 282, 230 F2d 832, cert. denied (Oct. 8, 1956). In this trademark case, the District Court stated (page 933):

". . . the court is entitled to rely more heavily on its *own judgment* where the case, as here, does not require intricate scientific analysis." (emphasis added) (affirmed per curiam and certiorari denied)

I (g) *Court of Customs and Patent Appeals:*

It is quite clear that in reversing the Patent Office, the Court of Customs and Patent Appeals applied their own independent subjective opinion as a conclusion of law as to what is confusing similarity:

Mead Johnson & Company v. American Home Products Corp., 174 USPQ 267, 268 (CCPA) (461 F2d 1381, 1382):

"*We cannot agree with the board's decision in this case. While there are some differences in the sound and appearance of the respective* marks, the overall impression is so similar that we find inescapable the *conclusion* that the ordinary purchaser of the goods would be likely to assume that they came from the same source."

* * *

"The decision of the board is reversed." (emphasis added)

Geigy Chemical Corp. v. Atlas Chemical Ind., 169 USPQ 39, 40 (CCPA) (438 F2d 1005, 1007):

"[3] Both sides have, of course, cited many prior decisions on other marks which, as usual, we find of little help. *In the end, it is a subjective opinion. Our considered judgment that there is reasonable likelihood of confusion* and mistake as to both product and source could be *supported by citation of many precedents in which there were even greater differences between the marks than exist here. It goes without saying that if there were any [4] doubt about likelihood of confusion, it must be resolved in favor of the prior user. Appellant has persuaded us that the board erred and we therefore reverse.*" (emphasis added)

Thus, in a trademark case, in the final analysis, Courts of Appeal should decide the question on a subjective opinion as a matter of law.

As acknowledged by the First Circuit Court of Appeals in the present case, it was even the rule of the First Circuit Court of Appeals in the case of *Baker v. Simmons (supra)*, that where the question of likelihood of confusion was solely based on the names themselves, as it is in this case, a reviewing court is "*in as good a position as the trial court to determine the probability of confusion*". Then, the court in this case went on to state that the court no longer "recognize this statement as setting a standard of review for appellate courts".

The court of appeals in this case went on to recognize at page 4 the following exceptions:

> "This is not to say that a civil court may not rely more heavily on its own judgment in reviewing those administrative decisions which do not require highly specialized expertise, *see Gold Seal Co.* v. *Weeks, D.D.C.*, 1955, 129 F.Supp. 928, 933, *aff'd, per curiam, sub nom. S. C. Johnson & Son, Inc.* v. *Gold Seal Co.*, D.C.Cir., 230 F.2d 832, *cert. denied*, 352 U.S. 829, . . ."

This certainly applied in the present case where no "highly specialized expertise" is required to decide from looking at the trademarks themselves whether there is any "likelihood of confusion".

The rule in *Morgan v. Daniels*, 1894, 153 U.S. 120 in determining the *question of fact* as to priority of invention should not be applied to the *conclusion of law* in the present case of "likelihood of confusion": The rule in *Morgan v. Daniels* requiring evidence carrying thorough conviction should now be clarified by this court as applying only as to questions of fact decided by the Patent Office and not as to "likelihood of confusion" which is a conclusion of law.

In the present case, the Trademark Trial and Appeal Board clearly treated the question of likelihood of confusion as a *conclusion* of law to be resolved solely on a comparison of the trademarks:

> "The only question for consideration in this proceeding is the likelihood of confusion arising from the marketing of the respective jewelry products of the parties under their various marks. In this regard, since the most pertinent of opposer's marks and the mark referred to and relied on by opposer in its brief is 'SARAH' per se, our discussion of the marks here in issue will be confined to 'SARDE' vis-a-vis 'SARAH'." (App. 30a).

* * *

"Thus, this case turns on whether 'SARDE' is confusingly similar to 'SARAH'." (App. 31a).

* * *

"It is therefore *concluded* that the differences between 'SARDE' and 'SARAH' are sufficient to obviate a likelihood of purchasers ascribing the jewelry products of the parties to a common source." (emphasis added) (32a).

The parties to this case stipulated in the district court that the sole question for consideration in this case is whether or not there is "likelihood of confusion" arising from the similarity of the trademarks themselves:

"If the court finds that the trademark 'SARAH' and 'SARDE' are in fact similar then the rest of the circumstances can exist so that if the jewelry products of the parties were sold purchasers could well ascribe them to a common source or producer." (14a).

[Also see TR-25 (40a)]. Moreover, the district court in this case determined "likelihood of confusion" as a question of law as follows:

"CONCLUSIONS OF LAW

In dismissing the plaintiff's opposition to the defendant's application to register "SARDE" as a trademark, the Trademark Trial and Appeal Board (hereinafter "the Board") found that

. . . the differences between 'SARDE' and 'SARAH' are sufficient to obviate a likelihood of purchasers ascribing the jewelry products of the parties to a common source. 179 U.S.P.Q. at 632.

The litigants agree that this finding represents the sole issue before the court."

The District Court's first nineteen pages of its decision makes it clear that the District Court did not consider it to be the responsibility of the Court to make its own independent evaluation in spite of the fact that it was clear from the

Board's decision that the Board had decided the question as a conclusion of law. However, the District Court finally decided it a a conclusion of law (22a):

"And *I hasten to add* that *even taking the plaintiff's position* that this *de novo* hearing requires me to make an independent evaluation of all the evidence and decide the *question of likelihood of confusion as one of law*, I come to no other conclusion." (emphasis added)

Thus, even after the Patent Office Trademark Trial and Appeal Board decided "likelihood of confusion" as a question of law and even the district court decided "likelihood of confusion" as a conclusion of law, the Court of Appeals refused to treat it as a question of law or otherwise independently decide "likelihood of confusion".

The First Circuit Court of Appeals' decision in the present case further erred in stating that: "We are not called upon to decide whether there are similarities . . ." (5a). This is further inconsistent with the U.S. Court of Appeals, District of Columbia decision in *Esso Standard Oil Company v. Sun Oil Company*, 97 U.S. App. D.C. 154, 229 F2d 37, 40 which stated:

"Cf. Guggenheim v. Cantrell & Cochrane, 56 App. D.C. 100, 101, 10 F.2d 895, 896 (1926), where we pointed out that *'the points of similarity are of greater importance than the points of difference'* when a *new mark* is measured against a well known and established mark." (emphasis added)

This is a very important issue on which the United States Supreme Court should give guidance to the lower courts.

Clearly in cases such as the present, where the issue of likelihood of confusion can be decided from the trademarks themselves, appellate courts are in just as good a position as the lower court to decide the ultimate question of the "likelihood of confusion" and should be free to decide such as a matter of law.

II. The need to review the issues raised by Questions Three, Four and Five of whether the Circuit Court of Appeals' decision defeats congressional intent in creating the Court of Customs and Patent Appeals by applying a stricter standard of review in District and Circuit Courts of Appeal.

Before the Court of Customs and Patent Appeals, where no new evidence is permitted, the appellant under 15 U.S.C. 1071(a) nonetheless has an opportunity for the court to re-evaluate "likelihood of confusion" again as a question of law (See Section (I) (g) Court of Customs and Patent Appeals).

In contrast to the Court of Customs and Patent Appeals deciding likelihood of confusion as a conclusion of law (as argued above under I), the plaintiff under the First Circuit Court of Appeals decision under 15 U.S.C. 1071(b) in this case, would not have an opportunity to have the question of "likelihood of confusion" decided as a question of law and therefore restricted to a much stricter standard of review. This appears to be the opposite from what was intended by Congress in providing for 15 U.S.C. 1071(b).

The United States Supreme Court stated the three basic reasons why Congress established the Court of Customs and Patent Appeals in *Glidden Co. v. Zdanok* (1962) 370 US 530, 560, 8 L Ed 2d 671, 82 S. Ct. 1459:

> "In certain areas of federal judicial business there has been a felt need to obtain, *first,* the special competence in complex, technical and important matters that comes from narrowly focused inquiry; *second,* the speedy resolution of controversies available on a docket unencumbered by other matters; and *third,* the certainty and definition that come from nationwide uniformity of decision. See generally id., at 146-186. Needs such as these . . . prompted establishment of the Court of Customs and Patent Appeals and its investiture with jurisdiction over . . . trademark litigation, 28 U.S.C. §§ 1541-1543." (emphasis added).

The result of the First Circuit Court of Appeals' decision in the present case is to defeat all of these purposes for establishing the Court of Customs and Patent Appeals in all interparty trademark cases. Under the decision in this case if not reversed, there is a clear incentive to the appellee under 15 U.S.C. 1071(a) to exercise its rights under 15 U.S.C. 1971(b) to prevent the Court of Customs and Patent Appeals from hearing trademark appeals because of the stricter standard of review in the district and appeal courts. Therefore, under this decision, all trademark appeals in interparty cases will go to the United States district courts under 15 U.S.C. 1071(b) where the appellee is much safer and only Ex parte cases will go to the Court of Customs and Patent Appeals.

Therefore, on the basis of this court's statement of Congress' intent in creating the Court of Customs and Patent Appeals, it must logically follow that Congress, consistent with that intent, did not intend a stricter standard of review in the United States district courts and courts of appeal than the standard of review by the Court of Customs and Patent Appeals. Hence, the decision in the present case should be reversed at least as to trademark cases under 15 U.S.C. 1071(b).

This is a question of urgent importance and hopefully this Court will render a decision which will provide guidance to lower courts on this matter.

Conclusion

It is urged that this petition for a writ of certiorari should be granted in all respects in order to provide guidance to both federal and state courts on important matters currently involving conflict of decisions between United States Courts of Appeal.

Respectfully submitted,

JOHN R. SCHOVEE,
Attorney for Petitioner.

Schovee & Boston, P.C.,
Of Counsel.

Opinion—United States Court of Appeals For the First Circuit

Entered: December 4, 1975.

No. 75-1199

SARAH COVENTRY, INC.,
Plaintiff-Appellant,

v.

T. SARDELLI & SONS, INC.,
Defendant-Appellee.

Appeal from the United States District Court
for the District of Rhode Island
(Hon. Raymond J. Pettine, *U.S. District Judge)*
[392 F.Supp. 347]

Before Coffin, *Chief Judge,*
Aldrich and Campbell, *Circuit Judges.*

John R. Schovee, with whom *Schovee & Boston, P.C., George M. Vetter, Jr.,* and *Hinckley, Allen, Salisbury & Parsons* were on brief, for appellant.

Herbert B. Barlow, Jr., with whom *Barlow & Barlow* was on brief, for appellee.

December 4, 1975

ALDRICH, *Senior Circuit Judge.* This is an appeal from a decision of the district court, *Sarah Coventry, Inc.* v. *T. Sar-*

delli & Sons, Inc., D.R.I., 1975, 392 F.Supp. 347, that refused to overturn the dismissal by the Trademark Trial and Appeal Board, 179 U.S.P.Q. 630, of an opposition to the application filed by appellee T. Sardelli & Sons, Inc., to use SARDE as a trademark for jewelry for personal wear and adornment. Appellant opposer, Sarah Coventry, Inc., manufactures and markets essentially identical jewelry, for which it uses the mark SARAH.

The sole issue before the Board was the likelihood of confusion arising from the use of both marks. 15 U.S.C. § 1052(d). The Board, correctly, in our opinion, rejected appellee's argument that the difference between the parties' marketing channels precluded confusion. The fact that goods are not sold side by side does not mean that a purchaser may not ascribe them to a common source, *see In re Helene Curtis Indus., Inc.*, C.C.P.A., 1966, 363 F.2d 936, let alone that a trade practice may not be changed. *See Luzier Inc. v. Marlyn Chem. Co.*, C.C.P.A., 1971, 442 F.2d 973. The Board also dismissed as an "exercise in futility" opposer's attempt to demonstrate by oral testimony that an appreciable number of buyers might pronounce both words in an essentially similar manner and thereby be confused. It found that visually the two words were not confusingly similar.

Opposer's notice of appeal to the Court of Customs and Patent Appeals was met by a notice of election filed by appellee under 15 U.S.C. § 1071. In accordance with this provision opposer then instituted the present proceedings in the district court. We first consider the standard of review to be applied by the district court, with supplemental observations as to our own.

The district court ruled that the Board's finding as to likelihood of confusion must be accepted unless the contrary

is established by evidence carrying "thorough conviction." Opposer urges that its burden in the district court should in no event be greater than what it would have been in the Court of Customs and Patent Appeals, claiming that that court would exercise a more independent judgment, *see, e.g., Mead Johnson & Co.* v. *American Home Products Corp.*, C.C.P.A., 1972, 461 F.2d 1381, than a district court normally does in reviewing an administrative body, *e.g., Cummington Preservation Committee* v. *FAA*, 1 Cir., 10/23/75. We see some plausibility to that contention, if there be a difference, but we see none in opposer's argument that the district court proceeding was a trial "de novo," in spite of the fact that some courts have loosely used this language. *See, e.g., Esso Standard Oil Co.* v. *Sun Oil Co.*, D.C.Cir., 1956, 229 F.2d 37, 38-39, 40, 42, *cert. denied*, 351 U.S. 973; *Aloe Creme Labs., Inc.* v. *Texas Pharmacal Co.*, 5 Cir., 1964, 335 F.2d 72, 74. The statute provides that evidence may be taken de novo, not that the district court is to ignore the decision of the Board.

We would draw certain distinctions. In the district court there was a substantial burden on opposer, whether or not expressed in terms of clear error, to overcome the Board's purely evidentiary findings. *Morgan* v. *Daniels*, 1894, 153 U.S. 120; *Esso Standard Oil Co.* v. *Sun Oil Co.*, ante; *Aloe Creme Labs, Inc.* v. *Texas Pharmacal Co.*, ante. This applied, for example, to the Board's discrediting opposer's evidence as to an alleged similarity in the pronunciation of the two words. Instead of being persuaded, however, the district court found opposer's evidence "unimpressive." We see no reason to disturb that factual finding.

On the other hand, opposer claims that the Board's conclusion that visually the words presented no likelihood of confusion was a question of law, as to which the district

court, and we, should be entirely free to reverse. *Cf. Baker* v. *Simmons Co.*, 1 Cir., 1962, 307 F.2d 458, 464-65; *Sears, Roebuck & Co.* v. *Johnson*, 3 Cir., 1955, 219 F.2d 590, 591; *Fleischmann Distilling Corp.* v. *Maier Brewing Co.*, 9 Cir., 314 F.2d 149, 152, *cert. denied*, 374 U.S. 830. If this were a pure question of law, that would be so. *DeCosta* v. *Columbia Broadcasting System, Inc.*, 1 Cir. 1975, 520 F.2d 499. However, we regard it, at best, as a mixed question of law and fact.

It is true, as opposer points out, that in *Baker* v. *Simmons*, ante, 307 F.2d, at 465, we quoted Judge Frank's majority opinion in *Eastern Wine Corp.* v. *Winslow-Warren, Ltd.*, 2 Cir., 1943, 137 F.2d 955, at 960, *cert. denied*, 320 U.S. 758, to the effect that where a decision is based "solely on the names themselves," a reviewing court "is in as good a position . . . to determine the probability of confusion" as was the district court. This statement is true, of course, as far as it goes. Nonetheless, it does not in any way detract from the wise policy of showing certain deference to the Board, which is routinely entrusted with deciding such issues. Furthermore, we no longer, if we ever did, recognize this statement as setting a standard of review for appellate courts. F.R.Civ.P. 52(a) is to be applied in all cases, regardless of the form of the record. *See Merrill Trust Co.* v. *Bradford*, 1 Cir., 1974, 507 F.2d 467, 468; *Leach* v. *Crucible Center Co.*, 1 Cir., 1968, 388 F.2d 176, 179.

This is not to say that a civil court may not rely more heavily on its own judgment in reviewing those administrative decisions which do not require highly specialized expertise, *see Gold Seal Co.* v. *Weeks, D.D.C.*, 1955, 129 F.Supp. 928, 933, *aff'd, per curiam, sub nom. S. C. Johnson & Son, Inc.* v. *Gold Seal Co.*, D.C.Cir., 230 F.2d 832, *cert. denied*, 352 U.S. 829, or in any case where there is no issue of credibility of a

live witness. *See Custom Paper Products Co.* v. *Atlantic Paper Box Co.*, 1 Cir., 1972, 469 F.2d 178. So, too, we may consider the fact that, as here, the burden of proof was upon appellee.[1] But all of these are supplemental matters, not changing the principle that our sole duty is to find error, vel non, and not to substitute our own factual conclusions simply because we may think them preferable. A contrary rule, even though limited to drawing inferences when the evidence is in documentary form, or undisputed, *see, e.g., Surgical Supply Service Inc.* v. *Adler*, 3 Cir., 1963, 321 F.2d 536, seems inconsistent with out basic judicial structure, and at best encourages appeals at the expense of another important principle, the need for finality. *See* C.A. Wright, Law of Federal Courts, 2d ed. 1970, p. 431.

On the merits, we find no error. Although the first three of the parties' five letters are the same, the last two are substantially different. SARAH is a common proper name, and SARDE distinctly uncommon. They do not suggest each other. In the absence of any credited testimony to the contrary, moreover, we would expect not only the second syllables, but also the first, to be prounounced differently—SARAH as distinguished from SARDE. We are not called upon to decide whether there are sufficient similarities so that, had the Board's decision been in opposer's favor, we might have let it stand, as we are not, in any event, tempted to reverse the decision against it.

The judgment of the district court is affirmed. At the same time, we note that this case deals with the registration of a word as such, and not some distinctive form thereof.

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[1] Appellant's mark was earlier in time. *E.g., United States Time Corp.* v. *Tennenbaum*, C.C.P.A., 1959, 267 F.2d 327.

Although both the opposer and the applicant use their marks in script form, registration of SARDE will in no way bar an unfair competition suit should Sardelli modify[2] its script form to resemble more closely that of Sarah Coventry.

Memorandum and Order on Petition for Rehearing

Entered: January 7, 1976.

UNITED STATES COURT OF APPEALS
For the First Circuit

No. 75-1199

SARAH COVENTRY, INC.,
Plaintiff-Appellant,

v.

T. SARDELLI & SONS, INC.,
Defendant-Appellee.

Before Coffin, *Chief Judge,*
Aldrich and Campbell, *Circuit Judges.*

January 7, 1976

Per Curiam. We cannot agree with appellant's Introductory Statement, possibly an attempt to come within Local Rule 15's limitation of what may be a subject for a petition for rehearing, to the effect that the present arguments were not, and could not have been, made before. The district court was

[2] It may well be that the action is res judicata as to dissimilarity of the parties' present scripts. *Cf. Phillips Petroleum Co.* v. *C. J. Webb, Inc.*, C.C.P.A., 1971, 442 F.2d 1376.

the one that ruled that the court's standard of review was independent of that applied by the Court of Customs and Patent Appeals. Appellant's brief duly objected. Rather than affirm the district court's rule, we indicated our receptivity to appellant's position, if there were a difference. We cannot understand appellant's contention that it is raising new matter.

Regretfully, having thus embarked, appellant proceeds further. Nothing in our opinion supports its claim that "[t]he Patent Office . . . in effect becomes the final and ultimate authority." We have accorded the Patent Office basically the recognition and weight, and no more, that we afford any administrative agency that is subject to review. Appellant has not demonstrated that the Court of Customs and Patent Appeals would do any less.

Appellant's real objection is that we have not accorded to certain language we used in *Baker* v. *Simmons Co.*, 1 Cir., 1962, 307 F.2d 458, the weight it would wish. We pointed out in our present opinion that the duty of an appellate court is to review the decision below for error, whether by a court, or by an administrative agency, not to substitute its own views. Our opinion was fully articulated. Appellant is to be critized, both procedurally and substantively, for filing this petition. It is denied.

By the Court,
DANA H. GALLUP,
Clerk.

[cc: Messrs. Schovee and Barlow.]

Opinion and Order of District Judge dated April 14, 1975

Entered: April 14, 1975.

DISTRICT COURT OF THE UNITED STATES
For the District of Rhode Island

SARAH COVENTRY, INC.,

v.

T. SARDELLI & SONS, INC.

C.A. No: 74-42.

PETTINE, *Chief Judge.*

The sole issue in this action arising under the trademark laws of the United States is whether or not there is "likelihood of confusion" between the trademarks "SARAH" of the plaintiff, who is the primary user, and the defendant's mark "SARDE".

The plaintiff owner of the trademarks "SARAH COVENTRY", "SARAH COV" and "SARAH", and of Registrations therefor issued by the United States Patent Office, seeks to reverse the decision of the Trademark Trial and Appeal Board which dismissed its opposition to the registration of "SARDE" as a trademark of the defendant. *Sarah Coventry, Inc.* v. *T. Sardelli & Sons, Inc.*, 179 U.S.P.Q. 630 (P.O.TM. T. App.Bd. 1973) (hereinafter referred to by page number only). The plaintiff filed a notice of appeal to the United States Court of Customs and Patent Appeals, to which the defendant filed a "Notice of Election" pursuant to 15 U.S.C. § 1071. The case was then filed in the United States District Court for the

Opinion and Order of District Judge dated April 14, 1975.

Western District of New York and was subsequently transferred to the District of Rhode Island.

The plaintiff is a New York corporation with its principal place of business in Newark, New York, and the defendant is a Rhode Island corporation with its principal place of business in Providence, Rhode Island. Jurisdiction rests in this court as set forth in 28 U.S.C. § 1338(a) and 15 U.S.C. § 1071(b).

FINDINGS OF FACT

The parties have stipulated that all of the testimony given before the U.S. Trademark Trial and Appeal Board in the trademark opposition from which this case arose shall have the same effect as if orally taken and produced before this court. In addition the following specific stipulations, which essentially track the findings of the Trademark Board, 179 U.S.P.Q. at 630-631, were read into the record:

> "This action results from a decision dated June 28, 1973 of the Trademark Trial and Appeal Board of the United States Patent Office in Opposition No. 52,293, filed in the United States Patent Office by plaintiff on October 7, 1971, in which decision the Trademark Trial and Appeal Board dismissed plaintiff's opposition to the registration of defendant's 'SARDE' trademark upon defendant's application Serial No. 386,658.
>
> Plaintiff, Sarah Coventry, Inc. is a corporation duly organized and existing under and by virtue of the laws of the State of New York, having its principal place of business at 165 East Union Street, Newark, New York 14513.

Opinion and Order of District Judge dated April 14, 1975.

Defendant T. Sardelli & Sons, is a corporation duly organized and existing under and by virtue of the laws of the State of Rhode Island, having its principal place of business at 195 Dupont Drive, Huntington Industrial Park, Providence, Rhode Island.

Defendant, T. Sardelli & Sons, Inc. has filed an application to register 'SARDE' as a trademark for jewelry, for personal wear and adornment, alleging use of the mark since November 1966.

Plaintiff, Sarah Coventry, Inc., on October 7, 1971 filed in the United States Patent Office an opposition against such registration on the basis of prior and continuous use of 'SARAH' and 'SARAH COVENTRY', both as tradenames and trademarks and also of 'SARAH COV' as a trademark, all such tradenames and trademarks for use on and in connection with the sale of jewelry for men and women.

Plaintiff, Sarah Coventry, Inc., has been engaged in the direct selling of costume jewelry throughout the United States by the home party plan for more than twenty years under the name Sarah Coventry, Inc.

Plaintiff, Sarah Coventry, Inc., is the owner of:

(a) United States Patent Office Reg. No. 777,378, issued September 22, 1964 (SARAH); (b) United States Patent Office Reg. No. 636,452, issued October 30, 1956 (SARAH COVENTRY), and (c) United States Patent Office Reg. No. 726,242, issued January 9, 1962 (SARAH COV.), all for costume jewelry.

Plaintiff, Sarah Coventry, Inc., has, since a time prior to 1958, continuously used the designations 'SARAH COVENTRY' and 'SARAH COV' as trademarks for its costume jewelry. These marks have been imprinted or stamped on the jewelry. Metal tags have been affixed to the jewelry when the size of the piece precludes the use of the stamp or imprint method"[1].

Opinion and Order of District Judge dated April 14, 1975.

"In 1958 plaintiff, Sarah Coventry, Inc., commenced using the name 'SARAH', per se, and the designation 'by SARAH' in its promotional literature as a corporate identification symbol and, over the years, greatly increased its use until currently it is the most significant word under which opposer promotes sales of its jewelry in national advertising, sales promotion literature, and sales catalogs. 'SARAH' appears in approximately ninety to ninety-five percent of its national advertising material.

Personnel of the plaintiff refer to the plaintiff's corporation as 'SARAH' per se.

Since at least as early as April 16, 1964, plaintiff has made use of 'SARAH' as a trademark for certain types of costume jewelry used for promotions or as prizes or gifts at the home parties. 'SARAH' has been stamped or imprinted on the jewelry and appears on cards on which the jewelry is mounted as well as on plastic bags in which the jewelry is packaged.

Plaintiff has extensively advertised and promoted its jewelry through national television programs and through advertisements in nationally distributed publications . . . In addition, plaintiff has distributed reprints of its magazine advertisements, . . . and similar material to its field representatives for use in selling its jewelry.

• • •

Plaintiff's total annual advertising and promotional expenditures have increased from about five hundred thousand dollars for the fiscal year ending March 31, 1966 to over one million seven hundred and fifty thousand dollars for the fiscal year ending in 1971. Such expenditures for the first eleven months of fiscal year 1972 approximated one million seven hundred thousand dollars.

During the ten-year period ending March 31, 1971, plaintiff has had sales in the United States totalling about three hundred million dollars; and for the fiscal year ending March 31, 1971, opposer's sales alone were well above forty-seven million dollars, all of which were sold under the marks 'SARAH', 'SARAH COVENTRY', or 'SARAH COV.'.

Plaintiff has rights in the marks 'SARAH COVENTRY', 'SARAH COV.', and 'SARAH' for costume jewelry prior to defendant's use of the trademark 'SARDE' and plaintiff possesses a substantial good will and hence a valuable property right in these marks.

The plaintiff, Sarah Coventry, Inc., is one of the largest merchandisers of jewelry in the world and is the world's largest, direct to the home, merchandiser of jewelry and plaintiff has many thousands of sales representatives in the United States selling and/or distributing to consumers the plaintiff's jewelry carrying the trademarks 'SARAH', 'SARAH COV.', and 'SARAH COVENTRY', and showing the prospective customers advertising literature carrying said trademarks.

Plaintiff Sarah Coventry, Inc., has from at least as early as April 6, 1964 been engaged in the business of

selling and distributing to customers in interstate and intrastate commerce jewelry bearing the trademark 'SARAH', and plaintiff has never abandoned and is still using this trademark by applying the trademark to the containers for the goods which has been sold and used extensively.

Defendant is engaged in the manufacture of fourteen-karat gold pierced earrings, pendants and pins which it sells throughout the United States to wholesale distributors who, in turn, sell to independent and chain retail jewelers and to department stores.

The mark 'SARDE' was taken from the alleged nickname of defendant's president, Edmund Sardelli, and was first used as a part of the phrase 'by SARDE' on earring cards in or after May 1964 and prior to November 1966, alleged to be the date of first use in defendant's application. Defendant has since used the term 'SARDE' and, more frequently, 'by SARDE', as a trademark to identify its earrings on earring cards, displays associated with the goods sold for use in retail outlets, catalog sheets, and on gummed labels affixed to the earring cards and to boxes containing the earrings.

Defendant's advertising efforts have been somewhat minimal comprising occasional advertisements in Jewelers' Circular Keystone and Modern Jeweler magazine and the distribution or furnishing of ad mats for use in local newspaper advertising. Defendant's sales of its products under the mark 'SARDE' are in excess of one million dollars a year at wholesale price.

The products of both the parties comprise jewelry and include the identical items, namely, earrings and pend-

ants, both parties' jewelry is of a type that would be sold in the same retail outlets such as department stores and jewelry stores and possibly in or near the same departments, and certainly would be purchased by the same classes of female customers.

If the court finds that the trademark 'SARAH' and 'SARDE' are in fact similar then the rest of the circumstances can exist so that if the jewelry products of the parties were sold purchasers could well ascribe them to a common source or producer."

In addition to these stipulated facts it was established in this court that the marks "SARDE" and "SARAH" are used and displayed in script form as follows:

The plaintiff also introduced testimony in an attempt to show that both these trademarks have phonetic similarities especially when spoken with a southern drawl. The court witnessed a rather strange linguistic exercise by a witness who conceded his ineptitude as an imitator. It convinced me that the thrust of the plaintiff's case must come from the visual impressions left by the marks on viewers as they appear in

script form. Conceding there may be no single way to pronounce either "SARAH" or "SARDE", I nevertheless find the plaintiff's efforts to prove there is a likelihood of confusion as to the sonant effect in uttering "SARAH" and "SARDE" were unimpressive.

CONCLUSIONS OF LAW

In dismissing the plaintiff's opposition to the defendant's application to register "SARDE" as a trademark, the Trademark Trial and Appeal Board (hereinafter "the Board") found that

> ". . . the differences between 'SARDE' and 'SARAH' are sufficient to obviate a likelihood of purchasers ascribing the jewelry products of the parties to a common source" 179 U.S.P.Q. at 632.

The litigants agree that this finding represents the sole issue before the court. The defendant argues that unless plaintiff can establish error in the Board's finding by evidence which in character and action carries thorough conviction, the court is bound to accept the Board's finding on this issue. It cites as basic precedent the Supreme Court's decision in *Morgan v. Daniels,* 153 U.S. 120, 125 (1894).

While plaintiff does not dispute that the standard recited in *Morgan v. Daniels, supra,* is normally applicable to Board review proceedings brought in federal district court pursuant to 15 U.S.C. §1071, it contends this proceeding is unique, in that the defendant, after availing itself of the statutory right to have plaintiff's appeal dismissed from the United States Court of Customs and Patent Appeals (hereinafter "Patent Appeals Court"), and thus removed to district court for a trial *de novo,* has in fact offered no new evidence. But for the defendant's

action, the case would have been heard by the Patent Appeals Court, which is comprised of experts in the area of trademarks. Since it contends that the Patent Appeals Court would have engaged in a less deferential and far more open-ended review of the Board's decision than that permitted the district court under the "thorough conviction" test, for the district court to apply such a restrictive test in these circumstances would clearly prejudice plaintiff's right of appeal. Plaintiff argues that "the Board of Appeals in trademark case are [*sic*] very frequently reversed . . . simply on the basis of the Appeal Court's *own independent judgment* of the question of whether these marks are confusingly similar" (transcript at p. 33; emphasis added). In support of its position that the standard applied by the Patent Appeals Court, and which this court should apply, entails an independent reassessment of the facts before the Board, plaintiff cites as typical the Patent Appeals Court's decisions in *Carlisle Chemical Works v. Hardman and Holden, Ltd.*, 168 U.S.P.Q. 110 (1970),[2] *Geigy Chemical Corp. v. Atlas Chemical Ind., Inc.*, 169 U.S.P.Q. 39 (1971),[3] and *Tiffany and Co. v. National Gypsum Co.*, 173 U.S.P.Q. 793 (1972),[4] and argues that they stand for the proposition that the court should reverse the Board's decision if I have any doubt as to the likelihood of confusion, because it must be resolved in favor of the prior user.

I disagree. There may be a dichotomy as to the standard of review between the Court of Customs and Patent Appeals and the United States District Court. If so it is quite understandable because the judges of the Patent Appeals Court, being experts in the field, may indeed be better equipped to reevaluate the entire record. However, I need not reach this question because there can be no doubt that the appropriate standard of review for the United States District Courts is firmly established. It has been expressed in the following

statements which represent nothing more than variations on the same theme:

> "The decision of the Commissioner is not binding . . . but is . . . of great weight." *Mishawaka Rubber & Woolen Mfg. Co. v. Panter—Panco Rubber Co., Inc.*, 55 F.Supp. 308 (D.Mass. 1944).
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> "The burden rests on appellant *to show manifest error* in the decision of the Patent Office tribunal and that of the lower court." *Solventol Chemical Products v. Langfield*, 134 F.2d 899, 901 (6th Cir. 1943) (emphasis added).
>
> • • •
>
> "In seeking to compel the Commissioner of Patents to grant registration of a trademark, plaintiff has the burden of proof [,] [citations omitted] and furthermore, the plaintiff must show by *clear and convincing evidence* that the Commissioner's decision was erroneous and that plaintiff was entitled to register the disputed trademark." *Radiator Specialty Company v. Ladd*, 218 F.Supp. 827, 829 (D.D.C. 1963) (emphasis added). *See also The Durax Company v. Duron Paint Manufacturing Company, Inc.*, 320 F.2d 882 (4th Cir. 1963).
>
> • • •
>
> "Although an action under sec. 1071 is a trial *de novo* the findings of the administrative agency are entitled to considerable weight and should not be rejected in the absence of *convincing evidence* that the agency was wrong, particularly where as here, no new evidence has been introduced at the trial in this court. [citations omitted]." *Wilco Company v. Automatic Radio Manufacturing Com-*

pany, Inc., 255 F.Supp. 625, 627 (D.Mass. 1966) (emphasis added).

* * *

"This Court agrees with the law on the subject as stated in the recent case of Huntington National Mattress Company v. Celanese Corporation, D.C., 201 F.Supp. 938, '[w]here a plaintiff seeks to set aside the findings of the Board, *his burden is not to be sustained by a mere preponderance of the evidence, but he must show by clear and convincing evidence that the decision is erroneous.*' " *Aloe Creme Laboratories, Inc. v. Texas Pharmacal Company*, 213 F.Supp.125, 127 (W.D. Tex. 1963) (emphasis added).

* * *

"The civil action before the District Court is intended to be a trial *de novo*, though the decision of the Patent Office must be accepted as controlling on issues of fact unless the contrary is established by testimony *which in character and amount carries thorough conviction.*" *Wilson Jones Company v. The Gilbert & Bennett Manufacturing Company*, 332 F.2d 216, 218 (2d Cir. 1964) (emphasis is added).

In *Watkins Products, Inc. v. Sunway Fruit Products*, 311 F.2d 496 (7th Cir. 1962), Judge Duffy, writing for the majority, noted that the role of a district court is more limited in trademark cases arising in the Patent Office than in those originating in the district court. He cited *Esso Standard Oil Company v. Sun Oil Company*, 229 F.2d 37 (D.C. Cir. 1956) as authority for the distinction and for the controlling standard to be applied by the district court.

> "The applicant brought suit in the District Court to review the Patent Office decision. The District Court there,

> as here, disagreed with the Patent Office and *substituted* its own findings for the crucial fact of confusing similarity. The Court of Appeals reversed say, 229 F.2d at page 40: '* * * * In patent and trademark cases under Rev.Stat. §4915 [now 15 U.S.C. § 1071] *a finding of fact by the Patent Office as to priority of invention or confusing similarity of marks must be accepted as controlling, unless the contrary is established by evidence "which in character and amount carries thorough conviction." Morgan v. Daniels*, 1894, 153 U.S. 120, 125, 14 S.Ct. 772, 38 L.Ed. 657 (citing additional cases). As we pointed out in *Abbot v. Coe*, 1939, 71 App. D.C. 195, 197, 109 F.2d 449, 451, *a mere preponderance of the evidence is not sufficient* with regard to invention; the Patent Office finding must be accepted if it is "consistent with the evidence," the Patent Office being an expert body pre-eminently qualified to determine questions of this kind.' " *Watkins Products, Inc., supra* at 498-499 (emphasis added).

From these cases, representative of the established law, it follows that the *de novo* hearing before the district court has clearly defined interpretive strictures as to the facts. When no new evidence is presented in district court, the court simply reviews the naked proceedings before the Board, paying due deference to the lower tribunal's findings and reversing only if there is *clear error* in fact or error in law. When the parties elicit and introduce additional evidence before the district court to strengthen their respective positions, the district court must then apply the "thorough conviction" standard. *Royal Crown Cola Co. v. Crown Beverage Corporation*, 195 F.Supp. 130 (E.D.N.Y. 1961). *See also* cases cited *supra*.

Furthermore, even assuming *arguendo* that the standard of review employed by the Patent Appeals Court differs from

the foregoing test, I am not persuaded by plaintiff's argument that the district court must therefore apply the Patent Appeals Court test. Despite the pragmatic appeal and ingenuity of the plaintiff's argument, which focused on the expertise of the Court of Customs and Patent Appeals, it mischaracterizes the normal review procedures contemplated by Congress in enacting the present law. Subsection (a)(1), 15 U.S.C. §1071, states that an aggrieved party who has the right to appeal the Board's decision may appeal to the Patent Appeals Court, but in so doing waives his right to proceed under subsection (b), *i.e.*, to seek review in the United States District Court. This same section further reads that "such appeal [to the Court of Customs and Patent Appeals] shall be dismissed if *any* adverse party to the proceeding" timely seeks review in the district court.

From the foregoing, it seems clear it is the rule rather than the exception to proceed in the United States District Court. The plaintiff's "to do" that no new evidence was introduced in this court by the defendant is of no consequence. The almost vituperative argument by the plaintiff's counsel that such a tactic is an acknowledgment of the defendant's tenuous position which would have been perceived by the Patent Appeals Court is of no legal significance, and his lament that he was denied the opportunity to have his case heard "before the most preeminent body in this country on trademark law" is unwarranted. The plaintiff's position may excite a sympathetic note in its logic but it lacks legislative support.

Within the restraints of its reviewing authority, the guideline criteria of *Carlisle, supra, Geigy, supra,* and *Tiffany, supra,* may, of course, be used by the district court. With this directional focus and the proper standard of review in mind, I must reject the plaintiff's opposition to registration of

defendant's trademark. The Trademark Trial and Appeal Board carefully reviewed the facts. I quite agree with its conclusion that:

> "Opposer has engaged in an exercise of what might be called phonetic mental gymnastics with its witnesses and in the cross examination of applicant's witnesses in an attempt to demonstrate that 'SARDE' could in some fashion or other be pronounced somewhat like 'SARAH'. This was, in our opinion, an exercise in futility which resulted in a pulling and tugging struggle with applicant's witnesses that did not serve any useful purpose in resolving this question." 179 U.S.P.Q. at 632, n.2.

As to the visual appearance of the two marks, both as to the sheer spelling and as used in script form, the Board took into consideration all of the plaintiff's contentions and concluded:

> "While the marks 'SARDE' and 'SARAH' are five-letter terms with the identical initial three letters, and the marks have been used by the parties in script form and preceded by the designation 'by', the marks as a whole do not project the same commercial image or impression. That is 'SARDE' does not look like 'SARAH'; 'SARDE' would not generally be pronounced like the popular and well-known name 'SARAH', and whether 'SARDE' would suggest a surname or a given name, it does not, in any way, suggest 'SARAH'.
>
> It is therefore concluded that the differences between 'SARDE' and 'SARAH' are sufficient to obviate a likelihood of purchasers ascribing the jewelry products of the parties to a common source." 179 U.S.P.Q. at 632 (footnote omitted).

Opinion and Order of District Judge dated April 14, 1975.

Within the teachings of the many precedents cited in this opinion, I find no clear error in the Board's decision. As to the evidence presented to this court, which can hardly be termed new evidence, it falls far short of the "thorough conviction" standard.

The testimony of the defendant's president, Edmund Sardelli, clearly established that "SARDE" was derived from his own name in good faith and "was first used as a part of the phrase 'by SARDE' on earring cards in or after May 1964 and prior to November 1966."

As against this the "SARAH" mark has been used from "as early as April 6, 1974." However, there is no evidence that because "SARAH" was extensively used, an inference can be drawn the defendant should have known of it. *Compare LaTouraine Coffee Co. v. Lorraine Coffee Co.,* 157 F.2d 115, 118 (2nd Cir. 1946), where there was an inference that the defendant must have known of the plaintiff's mark.

Mr. Barry Meath, Vice-President of Marketing for Sarah Coventry, added little of value in telling us of "SARAH's" extensive operations, and the importance in the use of the name "SARAH" so that people, "will recognize it when our people call at their door", since their jewelry, "can only be sold in the home and be purchased through one of [their] sales people [and that] if there is any confusion that it might be available in the stores, then, it could cause confusion in [their] field organization" (tr. p. 57).

The short answer is there is no likelihood of confusion. And I hasten to add that even taking the plaintiff's position that this *de novo* hearing requires me to make an independent evaluation of all the evidence and decide the question of likelihood of confusion as one of law, I come to no other conclusion.

Opinion and Order of District Judge dated April 14, 1975.

The plaintiff's complaint is dismissed and it is hereby

ORDERED

that the Commissioner of Patents and Trademarks issue to the defendant a registration on its application which is numbered 386,658.

So Ordered.

By Order,

(Illegible)
Clerk

Enter:

Raymond J. Pettine
Chief Judge

April 14, 1975

FOOTNOTES

[1] As noted *infra,* the plaintiff in advertising displays its trademark in script, but stamps all its jewelry in block letters.

[2] In *Carlisle,* the court stated, *supra* at 112, 113:

"A careful review and analysis of the record persuades us that the decision of the board dismissing the opposition constitutes reversible error. There is no dispute as to first use. Appellant's extensive advertisement and its use of ZIRCO antedates appellee's use of COZIRC by approximately twelve years. It is well settled that one who adopts a mark similar to the mark of another for closely related goods acts at his peril and *any doubt there might be must be resolved against him.* United Merchants

and Manufacturers, Inc. v. R.A. Products Inc., 56 CCPA 751, 404 F.2d 399, 159 USPQ 714 (1968).

* * *

We deem it pertinent to point out that the instant setting is not one where the goods of the parties are displayed or sold in side-by-side relationship where the purchaser is afforded an opportunity for comparison of the marks. It is more likely that purchasers will rely on memory and impressions. Human memories even of discriminating purchasers, technicians, etc., are not infallible.

* * *

...Appellee had a wide range of potential marks from which to make a selection and chose one which contains the essentially identical syllables of appellant's mark, arranged in reverse order"

* * *

"For the foregoing reasons, the decision of the board is *reversed*" (Emphasis added).

[3] In *Geigy*, the Patent Appeals Court appears to have rejected the Board's subjective analysis and substituted its own, stating, *supra* at 40:

> "The board appears to have been concentrating on a side-by-side comparison. When so compared, we might come to a similar conclusion but what the statute prescribes as the test is whether the marks *so resemble* one another *as to be* likely to cause confusion or mistake, and this requires us to consider, among other things, the fallibility of memory over a period of time, not merely whether one can distinguish the marks at a given moment.
>
> * * *

> "...We feel there is a reasonable likelihood ..., by reason of the similarity of the marks, [of confusion] ... Since reliance may be placed on fallible memory of the sound or appearance of a trademark, as distinguished from a generic name, we feel there should be a clearer distinction than exists here.
>
> Both sides have, of course, cited many prior decisions on other marks which, as usual, we find of little help. In the end, it is a subjective opinion. Our considered judgment that there is reasonable likelihood of confusion and mistake as to both product and source could be supported by citation of many precedents in which there were even greater differences between the marks than exist here. It goes without saying that if there were any doubt about likelihood of confusion, it must be resolved in favor of the prior user. Appellant has persuaded us that the board erred and we therefore *reverse*" (Emphasis in original) (footnote omitted).

[4] In *Tiffany*, the court ruled, *supra* at 795-796:

> "Finally, the board relied on the lack of evidence of actual confusion during some nineteen years of contemporaneous use. However, the record shows that both appellant and appellee have been expanding their operations under the mark over the years. Thus the probability of confusion stemming from continued simultaneous use is likely to increase, not decrease, in years to come, and Tiffany & Co., as the prior user of the mark, is entitled to continue using it as it expands and to be protected from the ever-increasing probability that actual confusion will arise."

Decision of Patent Office Trademark Trial and Appeal Board

Hearing: April 10, 1973 — FH Paper No. 22

U. S. DEPARTMENT OF COMMERCE
PATENT OFFICE

Trademark Trial and Appeal Board

Sarah Coventry, Inc.
v.
T. Sardelli & Sons, Inc.

Opposition, No. 52,293, to application Serial No. 386,658, filed March 18, 1971.

Schovee & Boston for Sarah Coventry, Inc.

Barlow and Barlow for T. Sardelli & Sons, Inc.

Before Leach, Lefkowitz and Shryock, Members.

Opinion by Lefkowitz, Member:

An application has been filed by T. Sardelli & Sons, Inc. to register "SARDE" as a trademark for jewelry for personal wear and adornment, use of the mark since November 1966 being alleged.

Registration has been opposed by Sarah Coventry, Inc., which alleges prior and continuous use of "SARAH" and

"SARAH COVENTRY", both as trade names and as trademarks, and of "SARAH COV." as a trademark on and in connection with the sale of costume jewelry for men and women;[1] and that

> "The goods to which Opposer and Applicant apply their respective trademarks are identical and Opposer, during its long use of the marks 'SARAH', 'SARAH COVENTRY' and 'SARAH COV.' has built up extensive and valuable good-will in said trademarks, and as a result, these marks have come to be known and recognized as identifying goods of the Opposer Sarah Coventry, Inc. Confusion in the trade would result from Applicant's registration by reason of Applicant using such a *visually* and *phonetically* similar mark. The marks 'SARDE' and 'SARAH' are sufficiently similar that there is a likelihood of confusion."

Applicant has denied the essential allegations upon which opposer has predicated its claim of confusion in trade and hence damage from the registration sought by applicant.

Both parties have submitted evidence; both parties have briefed the issue before us; and both parties were represented at the oral hearing held on this matter.

Opposer has been engaged in the direct selling of costume jewelry throughout the United States by the home party plan for more than twenty years under the name Sarah Coventry, Inc. Opposer has, since a time prior to 1958, continuously used the designations "SARAH COVENTRY" and "SARAH COV." as trademarks for its costume jewelry. These marks

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[1] Opposer is the owner of Reg. No. 777,378, issued Sept. 22, 1964 (SARAH); Reg. No. 636,452, issued Oct. 30, 1956 (SARAH COVENTRY); and Reg. No. 726,242, issued Jan. 9, 1962 (SARAH COV.), all for costume jewelry.

have been imprinted or stamped on the jewelry. Metal tags have been affixed to the jewelry when the size of the piece precludes the use of the stamp or imprint method. In 1958, opposer commenced using the name "SARAH", per se, and the designation "by SARAH" in its promotional literature as a corporate identification symbol and, over the years, greatly increased its use until currently it is the most significant word under which opposer promotes sales of its jewelry in national advertising, sales promotion literature, and sales catalogs. It has been estimated that "SARAH" appears in ninety to ninety-five percent of its national advertising material. There is testimony that customers and opposer's own personnel refer to opposer corporation as "SARAH", per se. Since early 1964, opposer has also made use of "SARAH" as a trademark for certain types of costume jewelry used for promotions or as prizes or gifts at the home parties. "SARAH" has been stamped or imprinted on the jewelry and appears on cards on which the jewelry is mounted as well as on plastic bags in which the jewelry is packaged.

Opposer has extensively advertised and promoted its jewelry through national television programs and through advertisements in nationally distributed publications such as *Vogue, McCall's, TV Guide, Good Housekeeping, Ebony, Sunset, Ladies' Home Journal* and *Family Circle.* In addition, opposer has distributed reprints of its magazine advertisements, catalogs, sales promotion literature, and similar material to its field representatives for use in selling its jewelry. Opposer's sales promotion devices have included the award of a statuette called "SARAH" to sales representatives who have attained certain goals and accomplishments. Opposer's advertising and promotional expenditures have increased from about five hundred thousand dollars for the fiscal year ending March 31, 1966 to over one million seven hundred and fifty thousand dollars for the fiscal year ending in 1971. Expenditures for the first eleven months of fiscal year 1972 approximated one million seven hundred thousand dollars.

During the ten-year period ending March 31, 1971, opposer has had sales in the United States totaling about three hundred million dollars; and for the fiscal year ending March 31, 1971, opposer's sales alone were well above forty-seven million dollars, all of which were sold under the marks "SARAH", "SARAH COVENTRY", or "SARAH COV."

Applicant is engaged in the manufacture of fourteen-karat gold pierced earnings which it sells throughout the United States to wholesale distributors who, in turn, sell to independent and chain retail jewelers and to department stores. The mark "SARDE" was taken from the alleged nickname of applicant's president, Edmund Sardelli, and was first used as a part of the phrase "by SARDE" on earring cards in or after May 1964. Applicant has since used the term "SARDE" and, more frequently "by SARDE", as a trademark to identify its earrings on earring cards, displays associated with the goods sold for use in retail outlets, catalog sheets, and on gummed labels affixed to the earring cards and to boxes containing the earrings. Applicant's advertising efforts have been somewhat minimal comprising occasional advertisements in *Jewelers' Circular Keystone* and *Modern Jeweler* magazine and the distribution or furnishing of ad mats for use in local newspaper advertising. Applicant's sales of its products under the mark "SARDE" were stated to be in excess of one million dollars a year at wholesale price.

Opposer's record including its pleaded registrations are sufficient to establish its prior rights in the marks "SARAH

COVENTRY", "SARAH COV.", and "SARAH" for costume jewelry and that opposer possesses a substantial good will and hence a valuable property right in these marks. The only question for consideration in this proceeding is the likelihood of confusion arising from the marketing of the respective jewelry products of the parties under their various marks. In this regard, since the most pertinent of opposer's marks and the mark referred to and relied on by opposer in its brief is "SARAH", per se, our discussion of the marks here in issue will be confined to "SARDE" vis-a'-vis "SARAH".

It is opposer's position that confusion as to the source of the goods of the parties is likely to occur because the goods of both parties comprise women's jewelry and, in part, identical goods, namely, earrings; both opposer's and applicant's type goods are commonly sold at the same counter in department stores and are frequently sold in jewelry stores; the class of purchasers is identical (women consumers); and the marks "SARDE" and "SARAH", as used by both parties, are personalized names which could be first names of a person, they are similar in appearance in that they are both five-letter words, the first three letters of which are identical, displayed in the same script form, and they are phonetically similar in that ". . . '*Sarde*' might be pronounced '*Sarda*' and that if pronounced '*Sarda*' it would be very similar to '*Sarah*'."

Applicant, on the other hand, argues, in effect, that the marks do not look alike or sound alike, and they project different commercial impressions in that "SARAH" can only mean a lady whereas "SARDE" has more of a surname connotation; and that since the jewelry products of the parties are sold in channels of trade "as distinct as is night and the day", namely, opposer's goods being sold only directly to the consumer by a party plan as against applicant's distribution through wholesale and retail jewelry outlets, there would be no opportunity for confusion to arise.

The products of the parties comprise jewelry and include the identical item, namely, earrings. While applicant's earrings are fourteen-karat gold and opposer's jewelry may not be of this character, they are nevertheless, as the record shows, of a type that would be sold in the same retail outlets such as department stores and jewelry stores and possibly in or near the same departments. They certainly would be purchased by the same classes of female customers. Although opposer's channel of distribution, unlike that of applicant, is presently restricted to direct home party plan sales, the identification of goods in opposer's registration is not restricted to any particular method of distribution. Moreover, this trade practice can be changed by opposer at any time when economics or other factors dictate the need for a change. And, it is apparent that when such a change in distribution is made, opposer's goods, like those of applicant, would move through jewelry stores, department stores, and like retail outlets. A similar argument can be presented as to applicant's activities in view of the unrestricted identification of goods in the subject application. See: J. C. Hall Company v. Hallmark Cards, Incorporated, 144 USPQ 435 (CCPA, 1965). Thus, circumstances can exist so that if the jewelry products of the parties were to be sold under the same or similar marks, purchasers could well ascribe them to a common source or producer. Thus, this case turns on whether "SARDE" is confusingly similar to "SARAH".

While the marks "SARDE" and "SARAH" are five-letter terms with the identical initial three letters, and the marks have been used by the parties in script form and preceded by

Decision of Patent Office Trademark Trial and Appeal Board.

the designation "by", the marks as a whole do not project the same commercial image or impression. That is, "SARDE" does not look like "SARAH"; "SARDE" would not generally be pronounced like the popular and well-known name "SARAH";[2] and whether "SARDE" would suggest a surname or a given name, it does not, in any way, suggest "SARAH".

It is therefore concluded that the differences between "SARDE" and "SARAH" are sufficient to obviate a likelihood of purchasers ascribing the jewelry products of the parties to a common source.

Decision:

The opposition is dismissed.

M. LEACH,
M. Leach.

S. LEFKOWITZ,
S. Lefkowitz,

R. F. SHRYOCK,
R. F. Shryock,

Members, Trademark Trial and Appeal Board.

Entered: Jun 28 1973

[2] Opposer has engaged in an exercise of what might be called phonetic mental gymnastics with its witnesses and in the cross examination of applicant's witnesses in an attempt to demonstrate that "SARDE" could in some fashion or other be pronounced somewhat like "SARAH". This was, in our opinion, an exercise in futility which resulted in a pulling and tugging struggle with applicant's witnesses that did not serve any useful purpose in resolving this question.

Transcript of Court Proceedings of January 15, 1975 Before Judge Pettine.

UNITED STATES PATENT OFFICE

777,378
Registered Sept. 22, 1964

PRINCIPAL REGISTER
Trademark

Ser. No. 190,343, filed Apr. 6, 1964

SARAH

Sarah Coventry, Inc. (New York corporation)
165 E. Union St.
Newark, N.Y.

For: COSTUME JEWELRY FOR MEN AND WOMEN, in CLASS 28.
First use Jan. 8, 1964; in commerce Jan. 8, 1964.
Owner of Reg. Nos. 636,452, 740,615, and others.

Transcript of Court Proceedings of January 15, 1975 Before Judge Pettine

• • •

case—

The Court: You say "Paragraph 28"?

Mr. Schovee: Yes, Your Honor. Well, reading from the requests for admission.

The Court: Oh, here it is, 30, right here. All right.

Mr. Schovee: The sole question for consideration in this case is whether or not there is "likelihood of confusion" arising from defendant's marketing of jewelry products identical to those of plaintiff's under the mark "SARDE" in view of the plaintiff's trademark being "SARAH".

Transcript of Court Proceedings of January 15, 1975 Before Judge Pettine.

The Court: Now, Mr. Barlow, would you admit that that is the sole question for consideration in this case?

Mr. Barlow: Yes, as applied by the Statute 15 USC Code, Paragraph 1052, Subparagraph (d).

The Court: All right. So that's admitted. Thank you.

Mr. Schovee: At this time I would like to have this document as Plaintiff's Exhibit No. 4. And I

* * *

does not necessarily have the trademark "SARAH" imprinted on the jewelry. I think that perhaps might clarify it for Your Honor.

Q25. So we're talking about approximately twelve and a half million pieces of jewelry that have been marketed under the trademark "SARAH"? A. Yes, sir. Either stamped or on the back.

Q26. As Vice President of Sales for the plaintiff corporation, do you promote the use of "SARAH" referring to the plaintiff company? A. Yes, sir.

Q27. How do you do this? A. We use it in company publications and at meetings and on signs "Share the Sarah opportunity with others" and "Be a member of the Sarah team", et cetera.

Q28. How do your sales people promote the trademark and the trade name "SARAH" with your customers? A. Well, home fashion shows and in books they tell them, "SARAH would like you to be a member of the SARAH team or Sarah family".

Q29. In comparison to costume jewelry sold in retail stores,

* * *